



**JONATHAN E. FIELDING, M.D., M.P.H.**  
Director and Health Officer

**JONATHAN E. FREEDMAN**  
Chief Deputy Director

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December 24, 2009

TO: Each Health Deputy

FROM: Jonathan E. Fielding, M.D., M.P.H.  
Director and Health Officer

SUBJECT: **NOTICE TO DECLINE TO CONTRACT WITH SOUTHCAL THERAPEUTIC AND RECOVERY SERVICES INCORPORATED, A DRUG/MEDI-CAL AGENCY**

This is to inform you that the Department of Public Health (DPH) is declining to contract with Southcal Therapeutic and Recovery Services Incorporated because of the financial risks associated with contracting and the intensity of oversight required for Drug/Medi-Cal (DMC) programs.

On November 5, 2008, the Board of Supervisors delegated the authority to the Director of DPH, or his designee, to decline to contract with agencies for DMC program services, following County Counsel review and approval, and notification to the Board and the Chief Executive Office (CEO). This memorandum serves to notify the Board offices and the CEO, and disclose the reasons for the declination and termination.

California State Health and Safety Code Section 11758.43 requires the State Department of Alcohol and Drug Programs (SDADP) to contract directly with State-certified DMC providers when the County declines to contract with the provider. However, before it can do so, SDADP requires that the County Board of Supervisors inform SDADP in writing of its intent to not contract with the provider. The notification to SDADP has likewise been delegated to the Director of DPH or his designee. Attached is an executed copy of the Board's action.

If you have any questions or need additional information, please let me know.

JEF:mak

Attachment

c: Jonathan E. Freedman  
Sheila Shima  
Robert Ragland  
Doraine Meyer  
Tami Omoto-Frias  
John Viernes, Jr.

ATTACHMENT A

November 10, 2008

Renée Zito, Director  
State Department of Alcohol and Drug Programs  
1700 K Street  
Sacramento, California 95814

Dear Ms. Zito:

**NOTICE OF THE COUNTY OF LOS ANGELES BOARD OF SUPERVISORS'  
DECISION TO DECLINE TO CONTRACT WITH FOUR STATE CERTIFIED  
DRUG MEDI-CAL AGENCIES**

On \_\_\_\_\_, the County of Los Angeles Board of Supervisors voted to approve a motion declining to continue to contract with the following State-certified Drug/Medi-Cal agencies:

1. Caring Residential Care, Inc.
2. Goretti Health Services, Inc.
3. Ubenete Charity, Inc.
4. Volunteers of Africa

Attached is an executed copy of our Board's action.

Very truly yours,

Jonathan E. Fielding, M.D., M.P.H.  
Director and Health Officer

JEF:lm

Attachment

c: Wayne K. Sugita M.P.A., Acting Director  
Chief Executive Officer  
County Counsel  
Executive Officer, Board of Supervisors



JONATHAN E. FIELDING, M.D., M.P.H.  
Director and Health Officer

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Chief Deputy

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**ADOPTED**  
SUPERVISORS

# 29

NOV 5 2008

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

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November 5, 2008

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

→ **APPROVAL TO DECLINE CONTRACTING WITH FOUR STATE CERTIFIED  
DRUG/MEDI-CAL AGENCIES  
(ALL SUPERVISORIAL DISTRICTS) (3 VOTES)**

**SUBJECT**

Request approval to decline to contract with Caring Residential Care, Inc., Goretti Health Services, Inc., Ubenete Charity, Inc. and Volunteers of Africa and to provide written notification to the State Department of Alcohol and Drug Programs about the County's decision not to contract with these four State certified Drug/Medi-Cal agencies, and authorization to decline to contract with other Drug/Medi-Cal agencies that are non-compliant.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Delegate authority to the Director of the Department of Public Health (DPH), or his designee, to sign the attached letter to the State Department of Alcohol and Drug Programs (SDADP) notifying the State of the County's decision to decline to contract for Drug/Medi-Cal (DMC) services with Caring Residential Care, Inc. (CRC), County Agreement Number H-701241, Goretti Health Services, Inc. (GHS), County Agreement Number H-701116, Ubenete Charity, Inc. (UCI), County Agreement Number H-801677, and Volunteers of Africa (VA), County Agreement Number H-702614.
2. Delegate authority to the Director of DPH, or his designee, to decline to contract with agencies for DMC program services and to terminate Agreements with other

State certified DMC providers contracted with DPH through June 30, 2011, that establish repeated inability to correct deficiencies and failure to fully comply with California Code of Regulation, Title 22, Drug/Medi-Cal requirements, following County Counsel review and approval, and notification to your Board and the Chief Executive Office (CEO). The reason for such declination or termination will be fully disclosed to County Counsel, your Board offices and the CEO.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

In approving this action, the Board is declining to contract with CRC, GHS, UCI and VA. These four agencies are State certified to provide DMC services and have provided services to the County through its termination date, June 30, 2008. DPH's Alcohol and Drug Program Administration recommends that the County decline to continue to contract with these agencies because of their repeated inability to correct deficiencies and failure to fully comply with California Code of Regulation, Title 22, Drug/Medi-Cal requirements.

#### **Implementation of Strategic Plan Goals**

This action supports Goal 6, Community Services of the County Strategic Plan.

#### **FISCAL IMPACT/FINANCING**

The funds previously obligated to continue contracting with these four agencies may need to be reallocated to other DMC contractors to provide services. However, should SDADP decide to contract directly with these four agencies, the County would need to return to SDADP approximately \$1,524,244 in program and administrative fees.

Funding for the County's DMC program is included in the DPH Fiscal Year 2008-09 Final Budget.

#### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

As a result of Sobky v. Smoley federal ruling, the federal court ordered the SDADP to: 1) ensure availability of Medi-Cal methadone maintenance treatment services throughout the State, either through direct contracts or through subcontracts with various counties, where licensed methadone maintenance treatment programs are available to non-Medi-Cal patients; 2) expedite certain requests for licensed methadone maintenance treatment providers for DMC provider certification; 3) ensure that all DMC eligible persons receive methadone maintenance treatment services with reasonable promptness; and 4) ensure that no DMC eligible person be put on a waiting list to receive services due to budgetary constraints. While the court's judgment specifically focused on methadone maintenance

Honorable Board of Supervisors  
November 5, 2008  
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treatment services, the SDADP applied the judgment to all drug abuse treatment programs supported by DMC funding. Although the State determines provider eligibility, the County can choose to reject to contract with a State certified provider. However, before it can do so, SDADP requires that the County Board of Supervisors or an authorized designee provide written notification of its decision not to contract with the agency.

Attachment A is the County's letter to SDADP advising the State it will not contract with the four certified agencies. County Counsel has reviewed and approved the letter as to form.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**


There is no impact on current services. California State Health and Safety Code Section 11758.43 requires SDADP to contract directly with State certified agencies, when the County declines to contract with the agencies.

**CONCLUSION**

When approved, DPH requires four signed copies of your Board's action.

Respectfully submitted,



 Jonathan E. Fielding, M.D., M.P.H.  
Director and Health Officer

Attachment (1)

JEF:lm

c: Chief Executive Officer  
County Counsel  
Executive Officer, Board of Supervisors